Effect of US slowdown on Indian economy

105. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of FINANCE be pleased to state:

(a) whether the Indian economy has been affected by the slowdown in the US;

(b) if so, whether the impact goes beyond software exports and it has affected manufacturing exports and industrial growth;

(c) whether India's merchandise exports fell to 7.4 per cent in October and 2.88 per cent in April-October of 2001-2002; and

(d) if so, the steps Government propose to take to improve the Indian economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) As per the advance estimates released by the CSO, growth in the Gross Domestic Product at constant prices is estimated to increase by 5.4 per cent in 2001-02 compared with an increase of 4.0 per cent in 2000-01. Industrial growth, according to the Index of Industrial Production, during April-December, 2001 has been 2.3 per cent as against 5.8 per cent in the corresponding period of last year.

(c) Yes, Sir. However, after negative growth in exports for five consecutive months from June to October, 2001, exports increased by 3.3 per cent in November and 1.1 per cent in December, 2001. As per the latest trade data, cumulative exports have increased by 0.6 per cent during April-December, 2001.

(d) The broad strategy for promoting economic growth has been enunciated in the Budget Speech for 2001-02. Various tax reform measures undertaken in the Budget are, *inter alia,* designed to promote greater investment and consumption demand for promoting economic growth. The Budget 2001-02 and subsequent measures have also laid emphasis on faster implementation of Central Plan outlays and completion of projects for key infrastructure sectors and promotion of capital investment in the private sector as well. The monetary and credit policy has also taken measures aimed at ensuring

adequate liquidity to meet credit growth and support revival of investment demand and these are expected to have a favourable impact on growth.

MoU between India and Qatar

106. SHRI ANANTRAY DEVSHANKER DAVE: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Indo-Qatar Governments have entered into any MoU recently to set up an LNG terminal project at Dahej in Gujarat;

(b) if so, the details thereof; and

(c) the benefits likely to occur therefrom?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH GANGWAR): (a) and (b) No, Sir. However, Petronet LNG Limited, a joint venture company of Gas Authority of India Limited, Indian Oil Corporation Limited, Oil and Natural Gas Corporation Limited and Bharat Petroleum Corporation Limited has signed a Sale Purchase Agreement (SPA) on 31.07.1999 with M/s Ras Laffan Liquefied Natural Gas Company Limited (Ras Gas) of Qatar for supply of 5.0 Million Tonnes per annum (MMTPA) of Liquefied Natural Gas (LNG) for its LNG terminal at Dahej. The SPA envisages the commencement of LNG supply at Dahej terminal by the end of 2003.

(c) The import of LNG from Qatar will help to meet the demand of natural gas to some extent.